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United Nations Population Fund

UNFPA Accountability Framework

Report of the Executive Director

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Introduction

1. This report has been prepared in response to Executive Board decision 2007/21, in which the Executive Director of UNFPA was requested to present to the Executive Board, at its Second regular session 2007, an all-inclusive report on the existing UNFPA accountability framework and its monitoring and evaluation mechanisms. The General Assembly has also established a basis for an accountability framework through its resolution 57/270 B.

2. UNFPA recognizes the increased focus on accountability within the evolving aid environment and is fully committed to enhancing accountability within the organization and in all its operations and partnerships, including in support of national ownership and leadership of programmes.

3. Accountability is the process whereby public service organizations and individuals within them are held responsible for their decisions and actions, including their stewardship of public funds, fairness, and all aspects of performance,[1] in accordance with agreed rules and standards, and fair and accurate reporting on performance results vis-à-vis mandated roles and/or plans. In other words, it means that those in charge of UNFPA programmes, activities and guidance are held accountable for efficient and effective management. The UNFPA senior management is accountable to the Executive Board, which in turn is accountable to the Economic and Social Council and the General Assembly. Accountability, in the United Nations context, presupposes public scrutiny of the United Nations system as a whole and of the programmes and activities of the various United Nations entities.

4. The purpose of the present report is to further detail and analyse the existing accountability framework in UNFPA (see annex 1, figure 1) as described in DP/FPA/2007/14. The present report also notes continuing improvements under way regarding the Fund's accountability framework.

I. Accountability framework

5. The three components of the UNFPA strategic plan, 2008-2011 (see DP/FPA/2007/17) constitute the centrepiece for UNFPA programming, management and accountability. The development results framework (DRF) which outlines goals and outcomes for UNFPA in the three focus areas will guide all programme development and monitoring of performance and progress; the management results framework (MRF) constitutes the accountability framework for organizational performance at all levels and for the results-based biennial budget; and the integrated financial resources framework (IFRF) outlines the financial resource requirements for 2008-2011. In combination, these three frameworks, along with adjustment in the organizational structure will serve to increase both the effectiveness and efficiency of UNFPA programmes by shaping internal controls, requiring the appropriate organizational culture and the appropriate level of staff expertise over the next four years, and by optimizing the allocation of resources and maximizing results. These three frameworks of the strategic plan require the use of

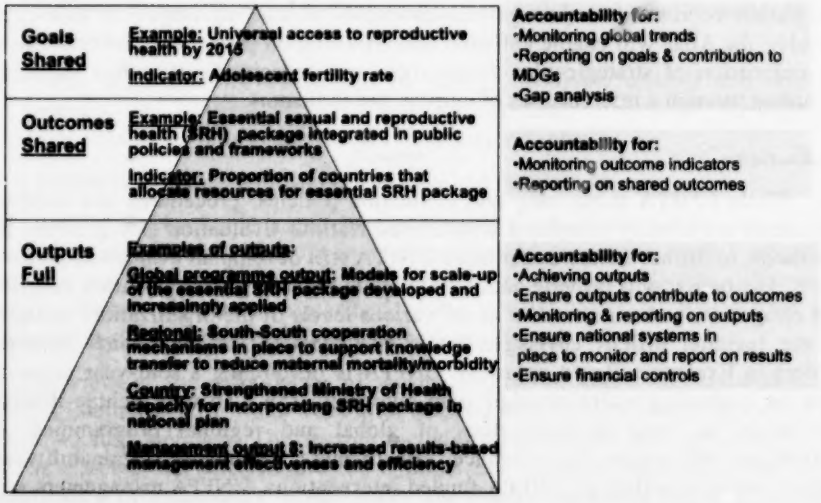
[1] INTOSAI, "Guidelines for Internal Control Standards for the Public Sector" (Vienna, INTOSAI General Secretariat, 2004).

programme, management and financial tools in order to produce relevant and timely results (see annex 1, figure 2).

A. Implementing the development results framework

6. As depicted in the chart below, UNFPA is fully accountable for the outputs in the Executive Board-approved programmes at country, regional and global levels. UNFPA is also accountable for monitoring and reporting of outcome and goal indicators outlined in the development results framework in the strategic plan. The country, regional and global programme outputs are envisaged to be aggregated based on a reference set of outputs. This reference set of outputs will be developed in the context of UNFPA contribution to capacity development through the global, regional and country programmes and will also enable aggregation for monitoring/reporting purposes. It is envisaged that country, regional and global programme outputs will be captured based on the reference set of outputs and this would help ensure aggregation and reporting of outputs globally.

UNFPA accountability in the strategic plan


Goals
Shared
Example: Universal access to reproductive health by 2015
Indicator: Adolescent fertility rate
Outcomes
Shared
Example: Essential sexual and reproductive health (SRH) package integrated in public policies and frameworks
Indicator: Proportion of countries that allocate resources for essential SRH package
Outputs
Full
Examples of outputs:
Global programme output: Models for scale-up of the essential SRH package developed and increasingly applied
Regional: South-South cooperation mechanisms in place to support knowledge transfer to reduce maternal mortality/morbidity
Country: Strengthened Ministry of Health capacity for incorporating SRH package in national plan
Management output 8: Increased results-based management effectiveness and efficiency
Accountability for:
•Monitoring global trends
•Reporting on goals & contribution to MDGs
•Gap analysis
Accountability for:
•Monitoring outcome indicators
•Reporting on shared outcomes
Accountability for:
•Achieving outputs
•Ensure outputs contribute to outcomes
•Monitoring & reporting on outputs
•Ensure national systems in place to monitor and report on results
•Ensure financial controls

Results-based management

7. UNFPA has put in place a results-based management (RBM) strategy to ensure that the organization's processes, products and services contribute to the achievement of desired results (outputs, outcomes, impacts). The strategy follows the harmonized terminology for results-based management proposed by the United Nations Development Group (UNDG). RBM systems are mainstreamed in UNFPA policies and procedures and, for each programme funded by UNFPA, include a cycle of analytical needs assessments based on causality analysis; strategy development using a chain of results approach identifying key performance indicators; results-

focused monitoring; and evaluation of outcomes and pilot interventions in the fourth year of the programme cycle to serve as input to new programme formulation. Programme management units at all levels are accountable for implementing the RBM processes described above so that units may measure the impact of UNFPA-funded interventions. Country offices as well as offices at the regional and global levels are accountable for providing to the Executive Director results-oriented annual reports on the progress and impact of their programmes.

8. As underscored in the external assessment of RBM implementation in UNFPA,[2] the organization has significantly advanced its RBM systems through developing and implementing various results management tools. Reporting mechanisms such as the country office annual report (COAR) create a capability to manage based on results (rather than just inputs) at the country and corporate levels. The implementation of iTrack (multi-year funding framework impact tracking system) has allowed for easier, quicker and more transparent reporting as well as usage of reports at country, regional and corporate levels.

9. However, all of the development results framework 'contribution' indicators from COARs are self-assessed and therefore may reduce the perceived credibility of the reporting data. Thus, under the new strategic plan, UNFPA will introduce additional tools to strengthen the objectivity and reliability of reporting. These include the partner surveys which are to be conducted in 2008, for the baseline, and in 2011 for the strategic plan end-line data. Strengthening staff capacity for integration of results in management processes is also envisaged in this cycle. Besides, the Atlas will enable collation and reporting on programme investments by a combination of strategic plan focus areas and capacity-development strategies, including through a reference set of outputs and indicators.

Evaluation

10. While UNFPA monitoring and evaluation policies, procedures and technical guidelines are already compliant with United Nations Evaluation Group norms and standards, to further ensure compliance UNFPA will develop an evaluation policy in 2007. The policy will provide additional details regarding the evaluation functions and obligations to be undertaken at the various levels of the organization, including in the regional offices envisaged under the proposed organizational structure, subject to Executive Board approval. UNFPA is developing a four-year corporate plan for evaluating major strategic plan outcomes. The plan will include thematic evaluations as well as evaluations of global and regional programmes. All evaluations will assess the relevance, effectiveness, efficiency, sustainability and impact, where possible, of UNFPA-funded interventions. UNFPA management units at all levels are required to produce a management response and follow-up plans to all external evaluations. In 2006, UNFPA introduced joint risk-focused audit/evaluation oversight missions to high-risk units to assess the efficiency of UNFPA operations, the relevance of programmes to country needs and their alignment to the corporate strategic plan, and the capacity to use RBM systems and tools to measure performance and impact. In line with the United Nations Evaluation Group norms and standards for evaluation, a meta-evaluation of evaluation quality standards was conducted in 2005 and another one will be

[2] Danish Ministry of Foreign Affairs, "Assessing Results Management at UNFPA, Final report" (New York, Dalberg Global Development Advisers, 2005).

conducted in 2010. Additionally, UNFPA will annually track progress in evaluation quality improvements and promote the sharing of high quality evaluations through a publicly accessible evaluation database to be established in 2007. The evaluation database will become an important instrument of the Fund's global knowledge sharing strategy.

B. Implementing the management results framework

11. UNFPA has introduced new results-based management practices, systems and tools to measure performance, including the internal control framework, the balanced scorecard, the office management plan, and the performance appraisal and development (PAD) system to implement the management results framework of the strategic plan. The MRF outlines nine management outputs for which UNFPA is fully accountable.

Internal control framework

12. The UNFPA internal control framework encompasses all the policies, procedures, monitoring and communication activities, standards of behaviour and other activities that combine to, inter alia:

- Execute orderly, ethical, economical, efficient and effective operations;
- Safeguard assets from inappropriate use, loss, and damage due to waste, abuse, mismanagement, errors, fraud and irregularities;
- Fulfil accountability obligations by making available reliable and relevant internal and external financial and non-financial information, through the maintenance of proper records and information flows;
- Ensure compliance with applicable laws and regulations.

13. UNFPA has instituted comprehensive control mechanisms covering the diverse areas of its operations with a range of detective and preventive control activities, including general controls and application controls relating to UNFPA information systems. These controls are described in the UNFPA Financial Regulations and Rules and in the UNFPA Policies and Procedures Manual.

14. In view of the importance of accountability, an entire section within the UNFPA internal control framework is devoted to describing the accountabilities of individual staff members. This section includes a list of tasks that each category of staff is expected to perform and the controls that they are required to satisfy in performance of these tasks. Additionally, the Fund's enterprise resource planning (ERP) system, Atlas, has been configured such that only functional users can access certain modules based on their user profile. Under this configuration, an appropriate segregation of duties has been maintained at all levels throughout the organization. Furthermore, functional users can only approve certain transactions based on their role. UNFPA has instituted a robust internal control system to regularly monitor and assess the strength, resilience and performance of its internal control framework. This is done through a combination of monitoring activities involving auditing or evaluation or a combination of both.

Balanced scorecard

15. Individual and collective accountability of directors and other senior managers for achieving the strategic plan management outputs and targets is tracked through a balanced scorecard. The balanced scorecard is a management and accountability tool that defines clear baselines and targets for programme and management outputs. Each output is "owned" by an individual staff member whose role is to ensure that progress is made and targets are achieved. Each "owner" is supported by a team of colleagues who help the "owner" ensure that the implementation of the output is on track. Regular reviews of the scorecard provide data and information on progress. Baselines will be established based on the 2007 annual reports and scorecards and the results will be tracked through 2011. The scorecard will be expanded to the programme outputs at all levels at a later, more advanced stage of its implementation.

Office management plans

16. UNFPA units and divisions organize their work around an office management plan (OMP) which is a strategic management tool to facilitate the work to: (a) define how that particular organizational unit will contribute to the annual organizational priorities as decided by the Executive Director based on the strategic plan; (b) identify the unit's own priority outputs and activities, within the framework of the strategic plan, that need to be implemented during the year; (c) efficiently allocate activities taking into account the strengths of individual staff members; (d) establish the basis for the development of annual individual work plans foreseen in the performance appraisal and development system; and (e) monitor the completion of identified activities and the progress towards expected results. The conclusions and observations drawn from mandatory mid-year and annual reviews, as well as the recorded achievements, are used as inputs for the preparation of the annual reports of divisions/units at headquarters as well as the country office annual reports submitted to the Executive Director.

Performance appraisal and development

17. The performance appraisal and development system was introduced in 2004 and is an integral part of the performance management system. The PAD system consists of three parts: (a) a focus on workplan outputs (between three to five outputs), including indicators, related activities and time frame, defined between a supervisor and a staff member within a specific meeting; (b) an assessment of competency proficiency; and (c) a plan of developmental activities (which include learning and other activities). The PAD system holds managers and staff accountable for results and for the achievement of performance standards defined in the competency framework. Through a 360° feedback mechanism, the system provides more balanced and broad-based feedback and emphasizes continuous dialogue on performance. In an annual performance review group meeting with the senior management team, trends in organizational performance and strengths and weaknesses in staff competencies are discussed. The system provides the means by which staff measure their contribution to achieving organizational priorities. It is also the means by which UNFPA recognizes successful performance and addresses underperformance in a fair and equitable manner.

C. Implementing the integrated financial resources framework

18. The integrated financial resources framework of the strategic plan, 2008-2011, provides the basis for UNFPA allocation of resources for the four-year period. The integrated financial resources framework provides an overview of UNFPA income for the 2008-2011 period, and provides a breakdown of regular resources for country programmes, global and regional programmes and the biennial support budget. The distribution of UNFPA regular resources for the 2008-2011 period follows the breakdown in the integrated financial resources framework. For implementing the integrated financial resources framework, UNFPA uses the resource allocation system and results-based budgeting.

Resource allocation system

19. The allocation of regular resources for country programmes is done in accordance with the system for allocation of resources to country programmes, which is regularly reviewed by the Executive Board. A report on the recent review (see DP/FPA/2007/18) is being submitted to the Executive Board at its Second regular session 2007. The resource allocation system sets shares for different country groups based on how far the individual countries are from achieving the goals of the International Conference on Population and Development. UNFPA resources for country programmes will be distributed according to the resource allocation system for 2008-2011, as per Executive Board approval.

Results-based budgeting

20. With the forthcoming introduction of the results-based budgeting (RBB) methodology to its biennial support budget, UNFPA will progressively be able to measure its performance in the management results frameworks outlined in the strategic plan. The objective of introducing RBB is to increase budget effectiveness and transparency by clarifying the purpose of the budget requests in the framework of the strategic plan, and thus establishing a link between resource requirements and expected results. As such, the RBB is an important component in implementing the strategic plan in general and the UNFPA accountability framework in particular. UNFPA is also using dashboards to monitor financial implementation of programmes and the quality of financial data.

II. Reporting

21. UNFPA will report on the progress in implementing the accountability framework and in achieving the results in the strategic plan as part of the reporting on the strategic plan. Comprehensive reports on the implementation of the 2008-2011 strategic plan will be submitted to the Executive Board at its annual sessions in 2009 and 2011. The results-oriented reports on the strategic plan will analyse and synthesize information and data on programme and organizational performance from country offices and regional and headquarters units. The annual reports of the Executive Director to the Executive Board in 2008 and 2010 will summarize overall progress and the main trends. UNFPA will continue to identify lessons learned and ensure continuous feedback and exchange through its monitoring and evaluation systems to feed into programme implementation, as well as the development of new programmes. Reporting on the country level results and lessons learned takes place

as part of the presentation of the new draft country programme documents to the Executive Board.

22. In addition to reporting on the strategic plan, a number of other reports (see annex 2) will be submitted to the Executive Board over the next four years as part of the existing accountability framework of UNFPA.

III. Recommendation

23. **The Executive Board may wish to take note of the UNFPA accountability framework contained in the present document (DP/FPA/2007/20) and provide guidance.**

Annex 1

Figure 1. UNFPA Accountability Framework

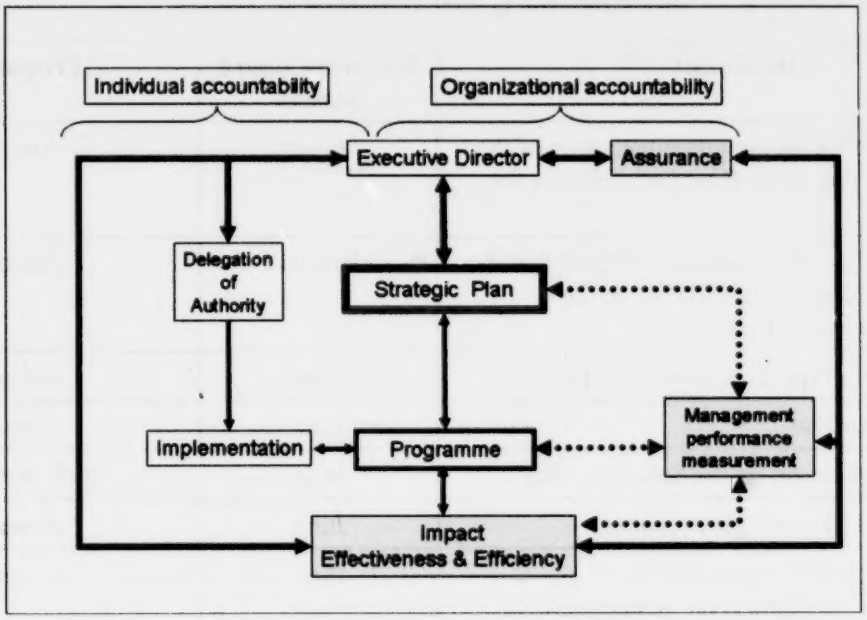
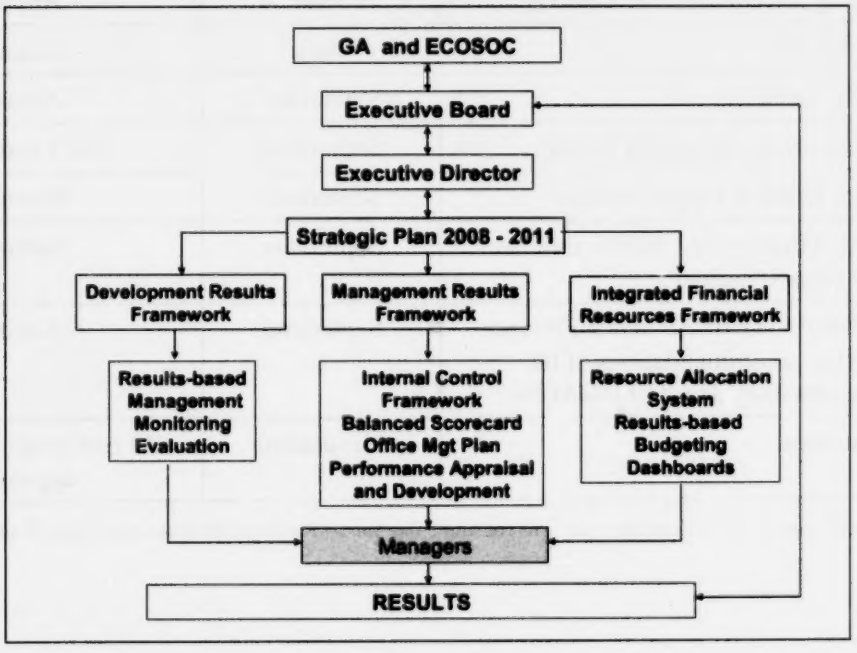


Figure 2. Detailed Accountability Framework



Annex 2

Documents submitted to the Executive Board as part of the existing Accountability Framework

Document	Executive Board Session	Frequency
Report of UNFPA on the implementation of the recommendations of the Board of Auditors for the biennium	January	Annual
Joint report of the Administrator of UNDP and the Executive Director of UNFPA to the Economic and Social Council	January	Annual
Annual Report of the Executive Director	June	Annual
Statistical Overview	June	Annual
Comprehensive report on the Strategic Plan*	June	2009 and 2011
Internal audit and oversight activities	June	Annual
Joint UNDP/UNFPA report on the recommendations of the Joint Inspection Unit	June	Annual
Periodic report on evaluation	June	Biennial
Report on funding commitments to UNFPA	June	Annual
Reports on field visits	June	Annual
Annual Financial Review	September	Annual
Review of the Resource Allocation System	September	2007 and 2011
Estimates for the biennial support budget	September	Biennial
Report of the ACABQ on the UNFPA estimates for the biennial support budget	September	Biennial
Joint UNDP, UNFPA, UNICEF and WFP report on follow-up to the recommendations of the Programme Coordinating Board of UNAIDS	September	Annual
Country programmes	All sessions	As new programmes are approved

* The comprehensive reports on the strategic plan will constitute the Annual Report of the Executive Director in 2009 and 2011.